

31A-14-202. Certificate of authority.

(1) The commissioner shall either issue a certificate of authority to an applicant under Section 31A-14-201 or issue an order refusing the certificate which explains why he finds that:

(a) not all specific requirements of the law have been met, including the requirements of Section 31A-14-209 for an alien insurer;

(b) the applicant is not sound, reliable, entitled to public confidence, or cannot reasonably be expected to perform its obligations continuously in the future;

(c) the applicant's directors and officers or, in the case of an alien insurer, its United States manager, are not sufficiently trustworthy and competent to engage in the proposed business in this state and to comply with the laws of this state; or

(d) the applicant has not been in existence long enough to demonstrate its competence to engage in the proposed business in this state.

(2) If the commissioner finds that the applicant does not comply with all requirements of the law, the commissioner may, after a hearing under Section 31A-2-301, issue a certificate of authority if the purposes of each unsatisfied requirement and the protection of insureds, creditors, and the public in this state are otherwise achieved by:

(a) a deposit in trust to be established and maintained under Section 31A-2-206;

(b) a bond acceptable to the commissioner conditioned on the satisfaction of the purposes of the requirement;

(c) special limits on the applicant's business or methods of operation in this state or elsewhere; or

(d) other protective devices satisfactory to the commissioner.

(3) The certificate of authority shall specify the terms of any deposit or bond required as a condition for authorization, any limits placed on the insurer's business or methods of operation in this state, and any other conditions imposed under Subsection (2).

(4) An insurer may apply to the commissioner for a new certificate of authority, removing, altering, or adding limits on its business or methods of operation. The application shall be accompanied by the information specified in Section 31A-14-201 that the commissioner reasonably requires. The commissioner shall issue the new certificate as requested if he would do so if an initial application were being made.

Amended by Chapter 204, 1986 General Session